

# NEVADA SECRETARY OF STATE Quarterly Economic & Business Activity Report



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Q4 • 2010

## Employment



vs. prior  
quarter



vs. prior  
year

## New Entity Filings



vs. prior  
quarter



vs. prior  
year

## Total List Filings



vs. prior  
quarter



vs. prior  
year

## Unemployment



vs. prior  
quarter



vs. prior  
year



The Quarterly Economic & Business Activity Report provides a quarterly review and analysis of trends in economic and business activities. It is intended to provide a unique perspective on business investments and market conditions within the State of Nevada. Data contained herein is sourced to the Nevada Secretary of State and other reporting agencies, including the Nevada Department of Employment, Training and Rehabilitation.

## New Business Entity Filings Turned Positive by Year-end Expansion Expected in 2011

### New Entity Filings *[Leading Indicator]*

During the past three months, the number of new business filings totaled 13,801, contributing to a 12-month tally of 55,082. The latest quarterly volume was 2.4 percent above the preceding quarter (Q3 2010) and 2.8 percent above the 13,429 reported in the same period of the prior year (Q4 2009). New entity volumes turned positive for the first time since mid-2006, suggesting the worst may be behind us.

It is worth noting the pace of foreign filings picked up during the first quarter of 2010 and have remained ahead of the prior year during the entirety of 2010 (up 29.6 percent on the year). Increases in the number of new foreign filers helped offset declines reported by domestic filers, which were down 7.8 percent for 2010. During the year, foreign filings accounted for 7.4 percent of activity, relatively modest yet a notable increase from the 5.4 percent average reported in all of 2009.

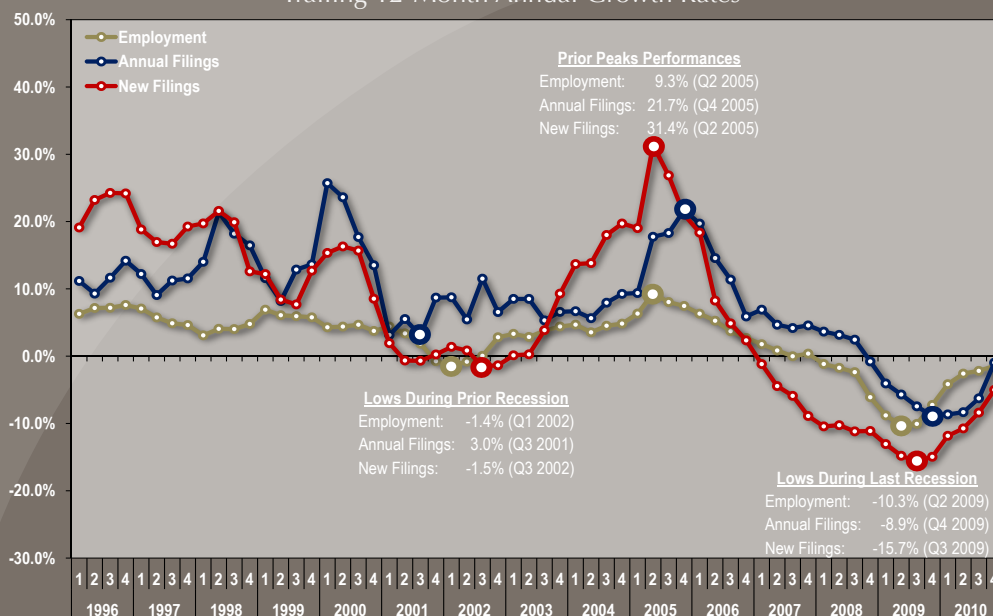
### Total List Filings *[Lagging Indicator]*

Through the three months ended December 31, 2010, businesses filed a total of 71,772 lists, which represented a 0.3-percent decline from the preceding quarter (Q3 2010). Existing filings include both new entity filings (initial lists) as well as those submitting annual or amended lists. While seasonality plays a role in the period-to-period comparison, compared to the same period of the prior year, total list filings jumped 9.0 percent.

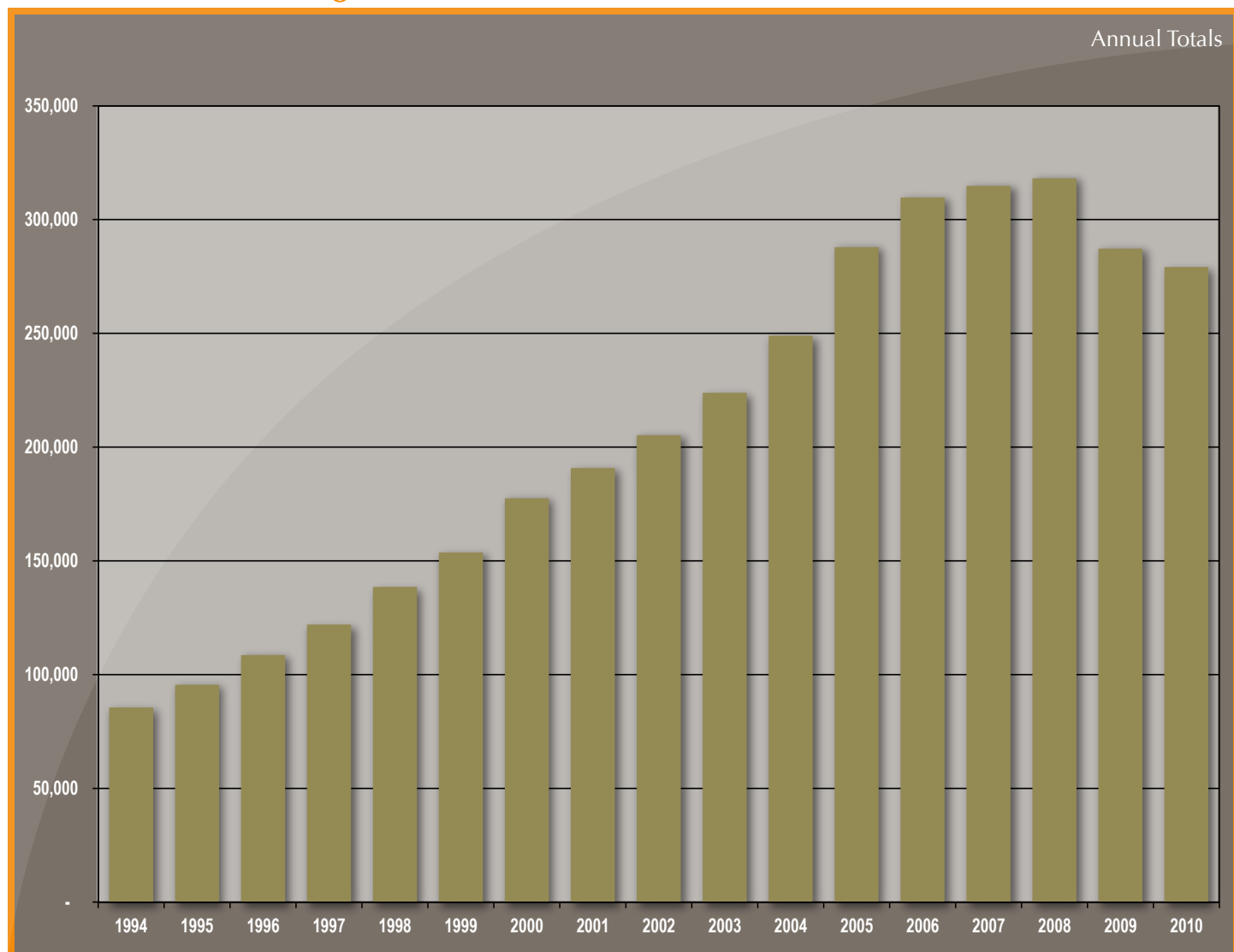
During the past 12 months, the number entities filing lists reached 290,666, which was 1.8-percent below the same 12-month period of the prior year. With list filings reflecting volumes of continuing businesses as well as new entities being formed, the decline remains slightly more than total employment within the state that stands at 1.1 million, down 1.5 percent year-over-year. Trailing 12-month totals list filings appear to be flattening out, suggesting stabilization in terms of business entity counts is starting to emerge.

## NEVADA EMPLOYMENT AND FILING COMPARATIVE ANALYSIS

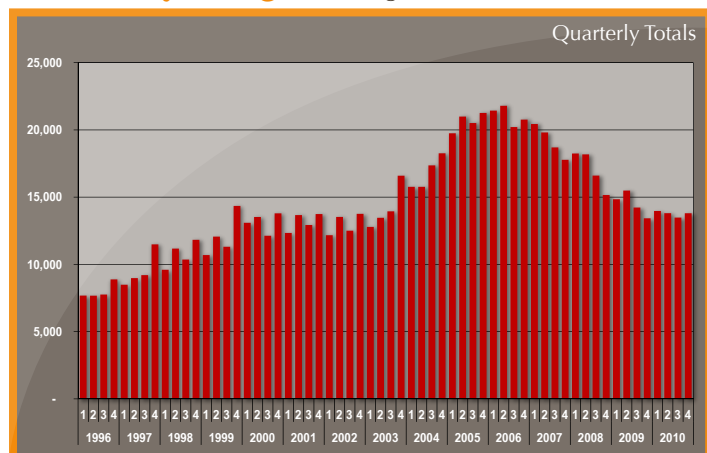
Trailing 12-Month Annual Growth Rates



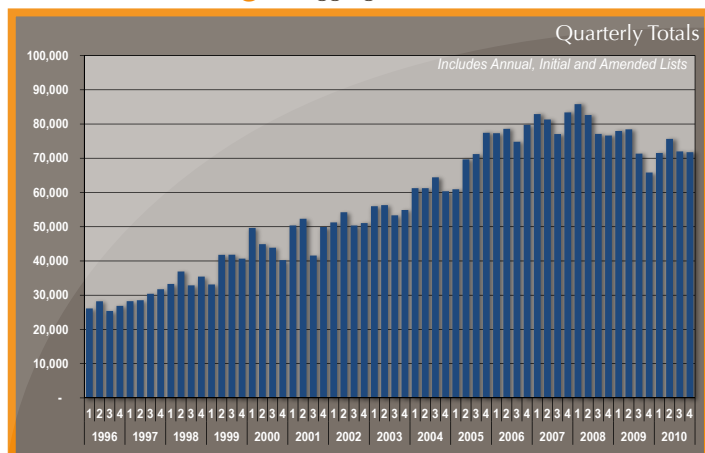
## Entities in Good Standing



## New Entity Filings [Leading Indicator]



## Total List Filings [Lagging Indicator]



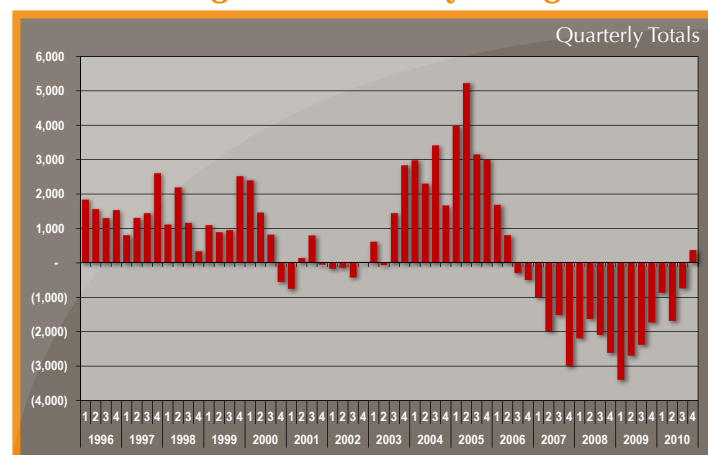
## Quarterly Indicators <sup>[1]</sup>

Three Months Ended December 2010

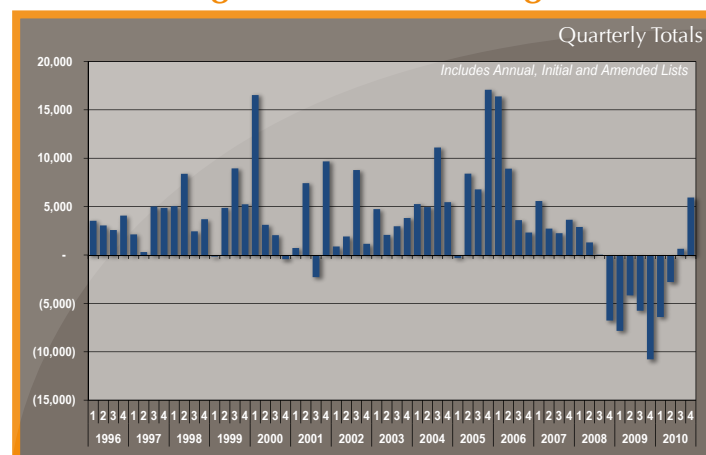
	Current Value	Prior Period			Prior Year		
		Value	Change	% Change	Value	Change	% Change
TOTAL LIST FILINGS [2]							
Corporations	34,728	34,152	576	1.7% ▲	32,527	2,201	6.8% ▲
Limited Partnerships	4,209	3,834	375	9.8% ▲	4,278	(69)	-1.6% ▼
Limited Liability Companies	32,641	33,792	(1,151)	-3.4% ▼	28,849	3,792	13.1% ▲
Limited Liability Partnerships and Business Trusts	194	205	(11)	-5.4% ▼	179	15	8.4% ▲
TOTAL	71,772	71,983	(211)	-0.3% ▼	65,833	5,939	9.0% ▲
NEW FILINGS - DOMESTIC [3]							
Corporations	4,498	4,169	329	7.9% ▲	4,437	61	1.4% ▲
Limited Partnerships	239	254	(15)	-5.9% ▼	431	(192)	-44.5% ▼
Limited Liability Companies	8,021	7,990	31	0.4% ▲	7,781	240	3.1% ▲
Limited Liability Partnerships and Business Trusts	35	46	(11)	-23.9% ▼	28	7	25.0% ▲
TOTAL	12,793	12,459	334	2.7% ▲	12,677	116	0.9% ▲
NEW FILINGS - FOREIGN [3]							
Corporations	559	599	(40)	-6.7% ▼	434	125	28.8% ▲
Limited Partnerships	25	21	4	19.0% ▲	11	14	127.3% ▲
Limited Liability Companies	418	395	23	5.8% ▲	305	113	37.0% ▲
Limited Liability Partnerships and Business Trusts	6	8	(2)	-25.0% ▼	2	4	200.0% ▲
TOTAL	1,008	1,023	(15)	-1.5% ▼	752	256	34.0% ▲
NEW FILINGS - TOTAL (DOMESTIC & FOREIGN) [3]							
Corporations	5,057	4,768	289	6.1% ▲	4,871	186	3.8% ▲
Limited Partnerships	264	275	(11)	-4.0% ▼	442	(178)	-40.3% ▼
Limited Liability Companies	8,439	8,385	54	0.6% ▲	8,086	353	4.4% ▲
Limited Liability Partnerships and Business Trusts	41	54	(13)	-24.1% ▼	30	11	36.7% ▲
TOTAL	13,801	13,482	319	2.4% ▲	13,429	372	2.8% ▲
KEY ECONOMIC INDICATORS							
Employment [4]	1,116,000	1,109,800	6,200	0.6% ▲	1,132,600	(16,600)	-1.5% ▼
Unemployment [4]	14.6%	14.5%	0.1%	0.7% ▲	12.8%	1.8%	14.1% ▲
Initial Jobless Claims	276,445	291,278	(14,833)	-5.1% ▼	86,068	190,377	221.2% ▲
Bankruptcies - Chapter 7	4,066	4,650	(584)	-12.6% ▼	4,360	(294)	-6.7% ▼
Bankruptcies - Chapter 11	73	100	(27)	-27.0% ▼	80	(7)	-8.8% ▼
Bankruptcies - Chapter 13	1,428	1,595	(167)	-10.5% ▼	1,583	(155)	-9.8% ▼

[1] indicator values reflect three month quarterly totals, unless otherwise noted. [2] includes annual, initial and amended lists. [3] new entity registration/qualification filings. [4] as of the end of the reporting period.

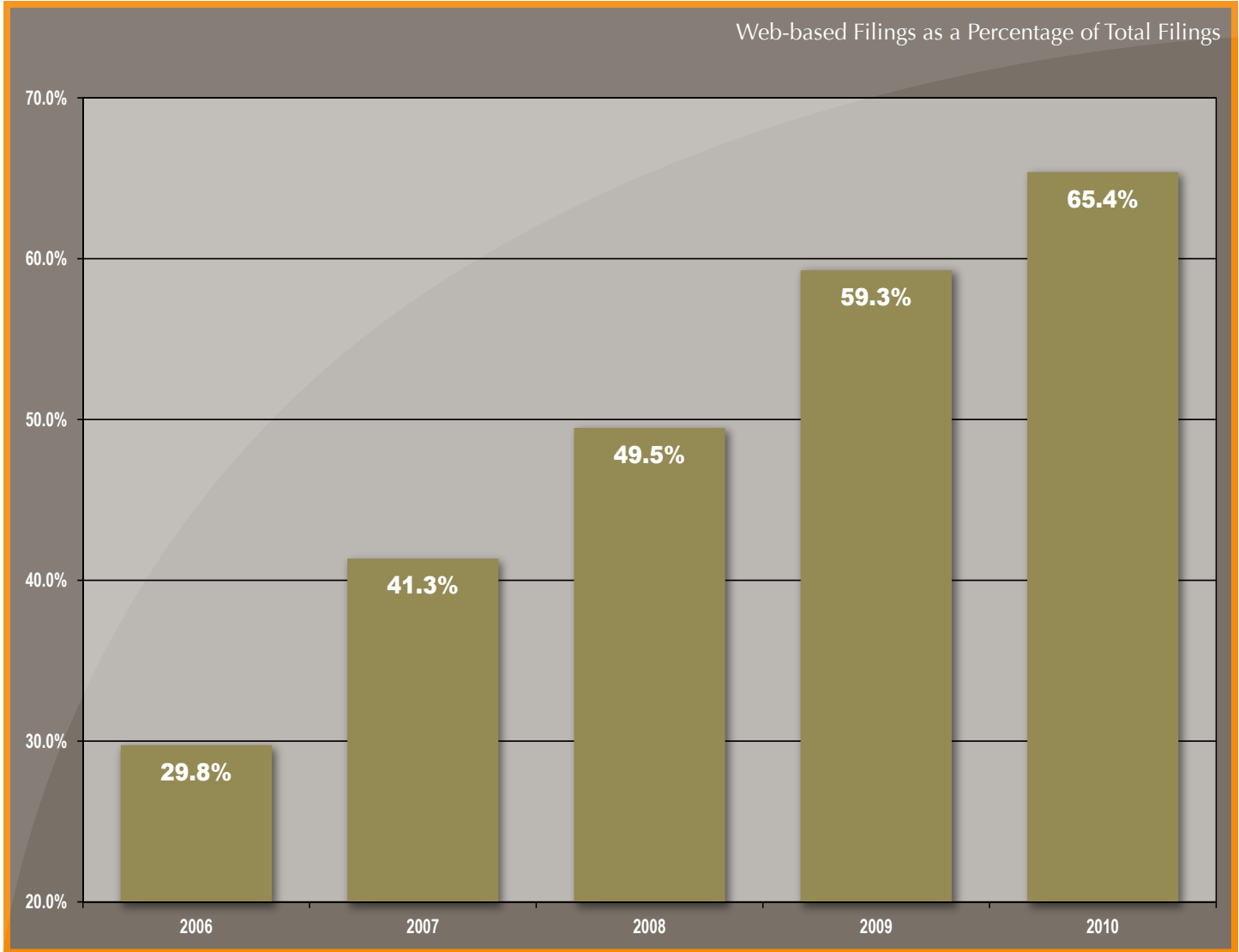
### Annual Change in New Entity Filings



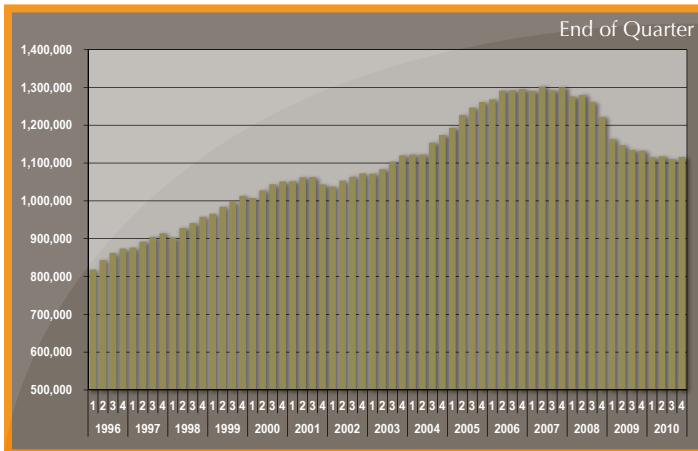
### Annual Change in Total List Filings



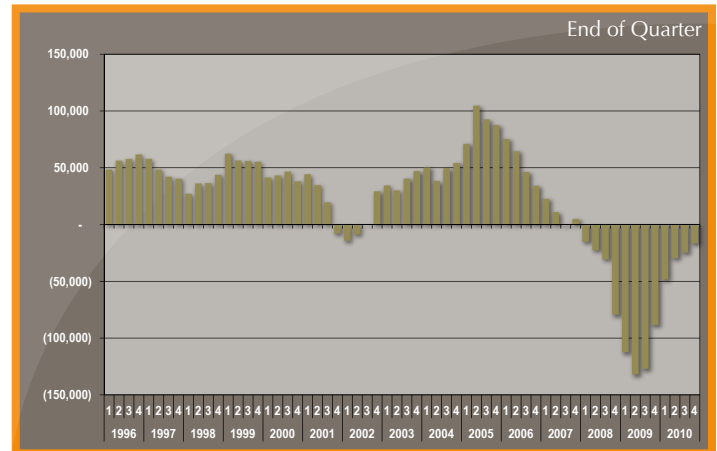
## On-line Filing Utilization



## Employment



## Annual Change in Employment



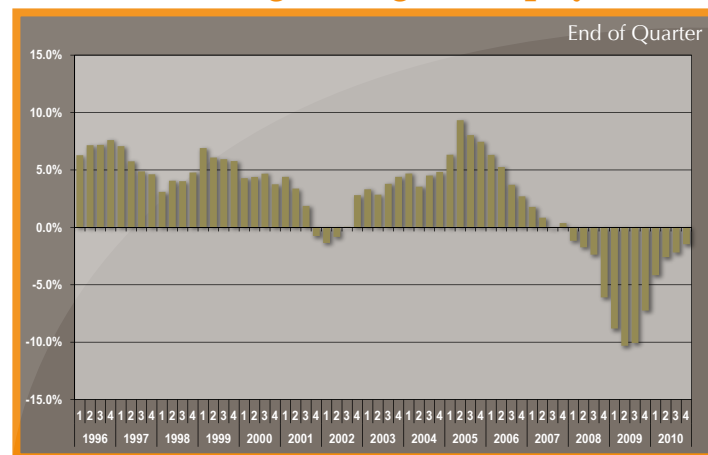
## Annual Indicators <sup>[1]</sup>

Twelve Months Ended December 2010

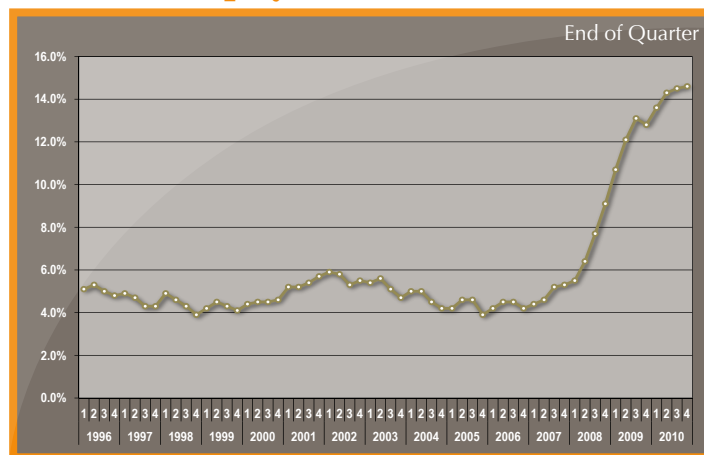
Current Quarter	Current Value	Prior Period			Prior Year		
		Value	Change	% Change	Value	Change	% Change
TOTAL LIST FILINGS [2]							
Corporations	139,809	137,608	2,201	1.6% ▲	144,847	(5,038)	-3.5% ▼
Limited Partnerships	15,993	16,062	(69)	-0.4% ▼	16,819	(826)	-4.9% ▼
Limited Liability Companies	134,064	130,812	3,252	2.5% ▲	133,536	528	0.4% ▲
Limited Liability Partnerships and Business Trusts	800	785	15	1.9% ▲	771	29	3.8% ▲
TOTAL	290,666	285,267	5,399	1.9% ▲	295,973	(5,307)	-1.8% ▼
NEW FILINGS - DOMESTIC [3]							
Corporations	17,424	17,363	61	0.4% ▲	18,379	(955)	-5.2% ▼
Limited Partnerships	1,205	1,397	(192)	-13.7% ▼	1,385	(180)	-13.0% ▼
Limited Liability Companies	32,173	31,933	240	0.8% ▲	35,356	(3,183)	-9.0% ▼
Limited Liability Partnerships and Business Trusts	189	182	7	3.8% ▲	155	34	21.9% ▲
TOTAL	50,991	50,875	116	0.2% ▲	55,275	(4,284)	-7.8% ▼
NEW FILINGS - FOREIGN [3]							
Corporations	2,359	2,234	125	5.6% ▲	1,836	523	28.5% ▲
Limited Partnerships	80	66	14	21.2% ▲	70	10	14.3% ▲
Limited Liability Companies	1,624	1,511	113	7.5% ▲	1,237	387	31.3% ▲
Limited Liability Partnerships and Business Trusts	28	24	4	16.7% ▲	14	14	100.0% ▲
TOTAL	4,091	3,835	256	6.7% ▲	3,157	934	29.6% ▲
NEW FILINGS - TOTAL (DOMESTIC & FOREIGN) [3]							
Corporations	19,783	19,597	186	0.9% ▲	20,215	(432)	-2.1% ▼
Limited Partnerships	1,285	1,463	(178)	-12.2% ▼	1,455	(170)	-11.7% ▼
Limited Liability Companies	33,797	33,444	353	1.1% ▲	36,593	(2,796)	-7.6% ▼
Limited Liability Partnerships and Business Trusts	217	206	11	5.3% ▲	169	48	28.4% ▲
TOTAL	55,082	54,710	372	0.7% ▲	58,432	(3,350)	-5.7% ▼
KEY ECONOMIC INDICATORS							
Employment [4]	1,116,000	1,109,800	6,200	0.6% ▲	1,132,600	(16,600)	-1.5% ▼
Unemployment [4]	14.6%	14.5%	0.1%	0.7% ▲	12.8%	1.8%	14.1% ▲
Initial Jobless Claims	276,445	291,278	(14,833)	-5.1% ▼	339,450	(63,005)	-18.6% ▼
Bankruptcies - Chapter 7	17,888	18,182	(294)	-1.6% ▼	17,184	704	4.1% ▲
Bankruptcies - Chapter 11	377	384	(7)	-1.8% ▼	313	64	20.4% ▲
Bankruptcies - Chapter 13	6,008	6,163	(155)	-2.5% ▼	7,028	(1,020)	-14.5% ▼

[1] Indicator values reflect twelve month quarterly totals, unless otherwise noted. [2] Includes annual, initial and amended lists. [3] New entity registration/qualification filings. [4] As of the end of the reporting period.

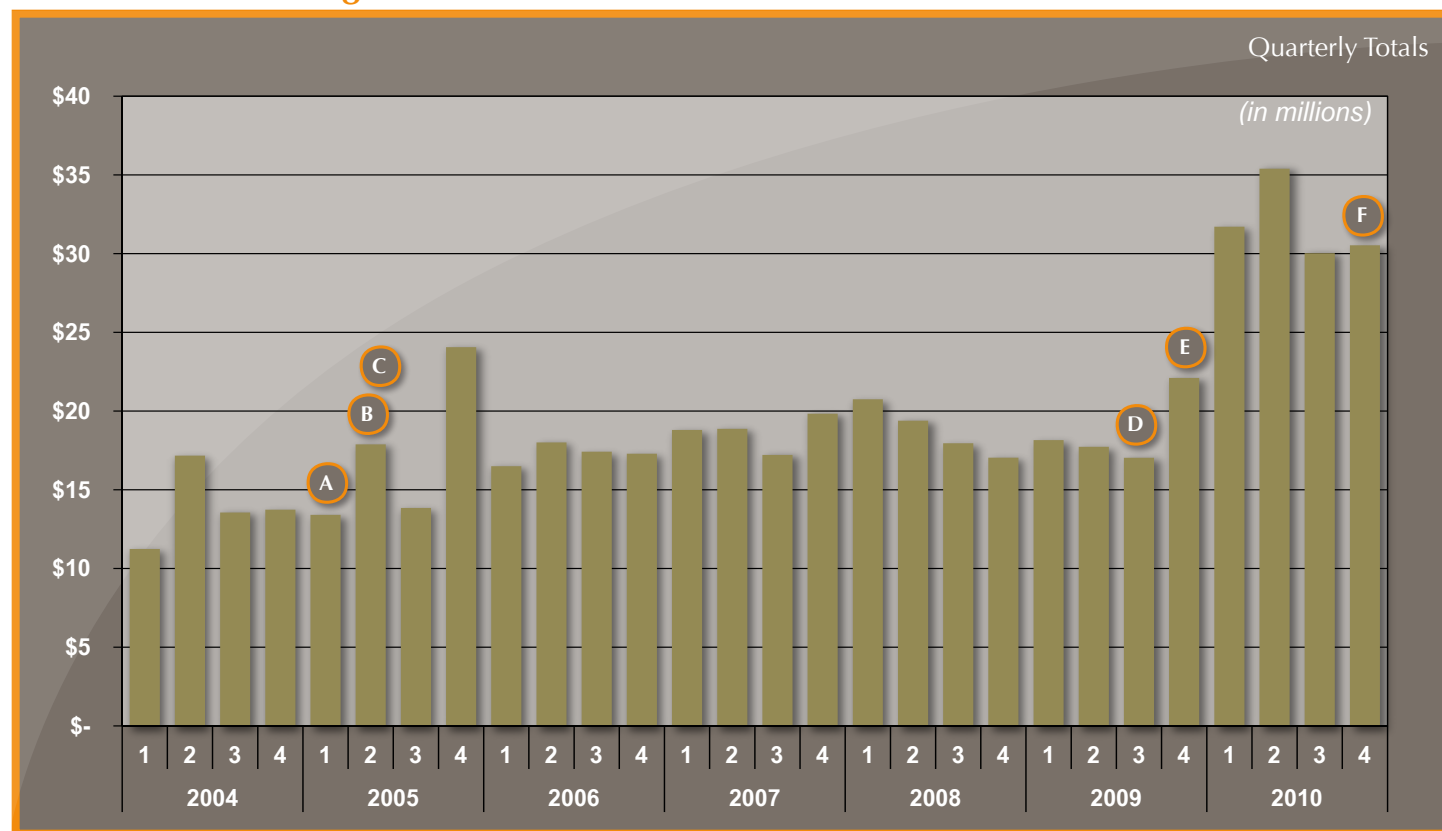
## Annual Percentage Change in Employment



## Nevada Unemployment Rate



## Commercial Recordings Revenue



**1991** – Major overhaul of Nevada business law, including the start of a business friendly environment (Delaware of the west), limited liability companies (LLCs) available in Nevada

**1997 to 1998** – Implementation of floater division and changes in processes and staffing to reduce turnaround time from 8 to 10-plus weeks to 10 days or less

**Q1 2001** – Height of filing increases preceding economic downturn and the events of September 11, 2001

**October 1, 2001** – Fee increases in response to economic downturn, representing the first fee increases in 10 years; filing fees for articles rose from \$125 to \$175; initial lists increased from \$85 to \$165; and other fee increases were implemented

**October 1, 2003** – Another significant fee change occurred: annual lists increased from \$85 to \$125 with a maximum of \$11,100 based on capitalization; new filings fee decreased from \$175 to \$75 and the maximum raised from \$25,000 to \$35,000 based on capitalization

- A January 29, 2005** – Implementation of e-SoS processing system for commercial recordings
- B April 2005** – Implementation of online services for initial, amended and annual lists
- C Q2 2005** – Peak of new filing increases
- D July 1, 2009** – Nevada state business license fee increased from \$100 to \$200 annually
- E October 1, 2009** – Nevada state business license authority transferred from the Department of Taxation to the Secretary of State of Nevada
- F December 2010** – Implementation of online articles services allowing customers to file new domestic corporations and limited liability companies (LLCs) online

## New Online Services Added

New companies can now file their Articles of Incorporation/ Organization online at [www.nvsos.gov](http://www.nvsos.gov). Upon successful completion of the online filing, companies will get immediate confirmation and a copy of their new documents. The public information about the new entity will also be immediately available on the Secretary of State's website. Domestic (Nevada), corporations and Limited Liability Companies (LLCs) can now file their Articles of Incorporation/Organization online. All new corporations and LLC's can also file their initial list of officers or members and apply for and receive their annual business license in the same online visit. All filing fees remain the same.

Wizard technology will guide users through the quick and simple process of filing online articles of incorporation or organization. Users who have taken advantage of other online services offered by the Secretary of State's office may have to create a new user name and password, depending on how recently they have used the system. The filing fees may be paid by credit/debit card or with an established trust account. E-checks will not be accepted.

Other online filing services available to businesses include:

- Nevada State Business License
- Initial, Amended and Annual Lists of Officers/Members
- Name Reservations
- Certificates of Good Standing
- Uniform Commercial Code statements, amendments and copies

Business customers may still file all documents with the Secretary of State's office in person or by mail (more than 200 forms can be found and downloaded online). For more information about online business services, customers may visit the Business Center at [www.nvsos.gov](http://www.nvsos.gov), call the Customer Service Division at 775-684-5708 or email Customer Service at [sosmail@sos.nv.gov](mailto:sosmail@sos.nv.gov).

**Leading vs. Lagging Indicators** – Generally, a lagging indicator is a measurable economic factor that changes after the economy has already begun to follow a particular trend or pattern. A leading indicator is a measurable economic factor that changes before the economy starts to follow a particular trend or pattern. Leading indicators can be used to predict changes in the economy. In this instance, new business entity filings provide directional insight into investments and business formation in the State of Nevada.





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**Ross Miller** became the youngest Secretary of State in America and the youngest in Nevada history when he was elected in 2006. Unanimously selected by his peers to serve as President of the National Association of Secretaries of State for 2012, Ross' record of achievement since taking office reflects a true commitment to accountability and results. His accomplishments reflect a combination of enthusiasm for the job, and a vision for serving his constituents.



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